

SR 520 Toll Rate Setting Policy Issues and Payment Method Incentives

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**Washington State
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Outline

- **SR 520**
 - Truck Rates
 - Toll Discounts and Exemptions
 - Incentives
 - Account and Payment Types
 - Toll and Fee Options



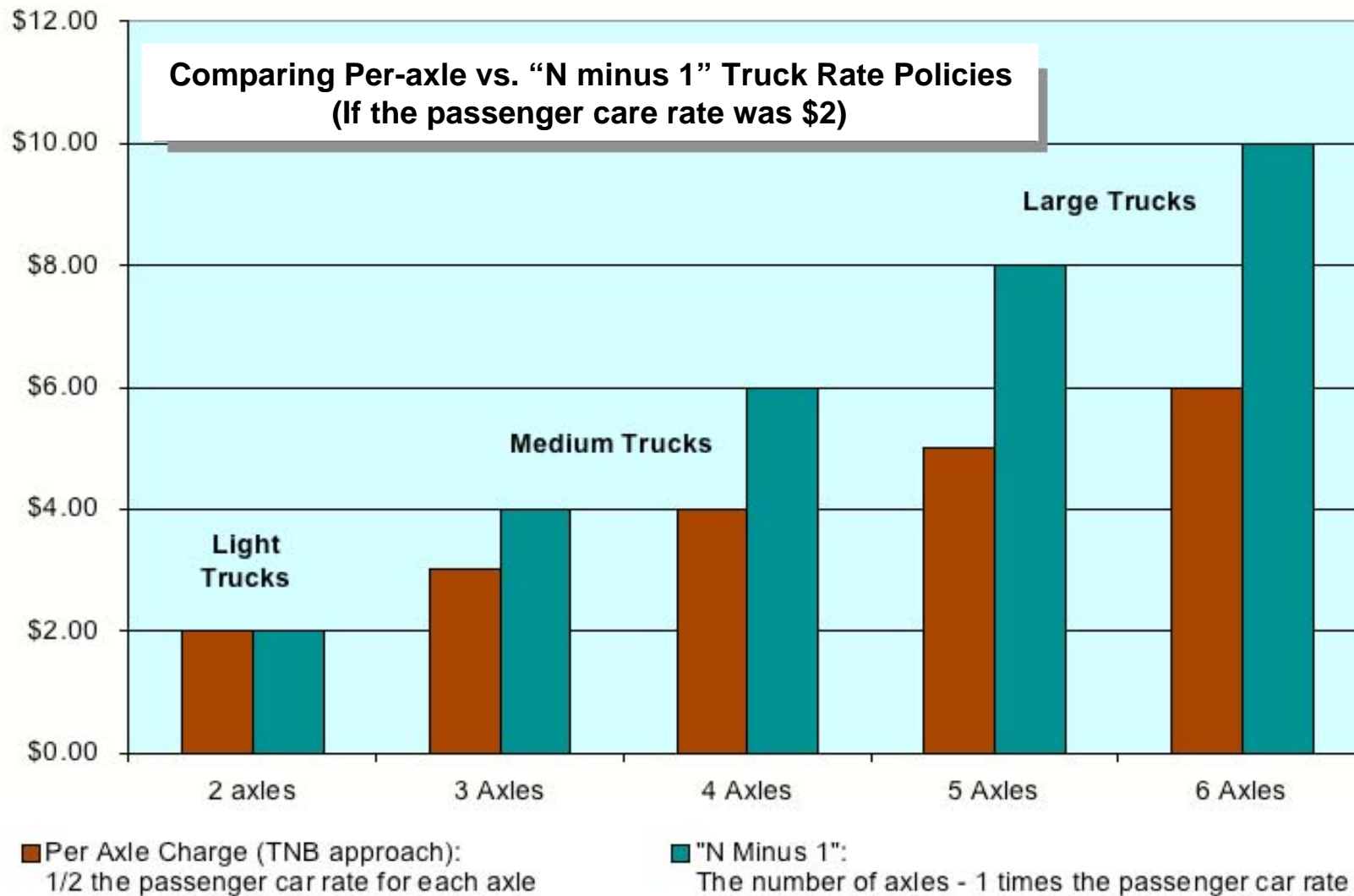
Artists rendition of SR 520 bridge with toll gantries.

Truck Rates – SR 520

- **Rationale:** Trucks take up more space (capacity) and do more damage to pavement
- **TNB:**
 - Vehicles charged flat rate per axle up to six axles maximum
- **Other common approaches**
 - “N-1”: (Number of axles – 1) x auto rate
(Results in higher truck rates than per axle)
 - Volume: (Large, Medium, Small)
(Based on shape of truck, not on axles)
 - Random:
(Many approaches are used in the industry,
not all of them explainable)



Effect on Truck Toll Rates



Truck Rates - Factors to Consider

- **Trucks are a small portion of 520 traffic**, projected to account for 2 percent of transactions and just less than 4½ percent of revenues during early tolling period (a small percentage compared to I-90 or I-5).
- **Breakdown by number of axles:**

<u>2 Axles:</u> Passenger Cars and Light Trucks	<u>3-4 Axles:</u> Medium Trucks	<u>5-6 Axles:</u> Large Trucks and Combinations
97.9% of traffic	2% of traffic	0.2% of traffic

- **Axle-based vs. Volumetric Truck Classification:** WSDOT has specified axle-based classification on SR 520 for consistency.
- **Tolling Subcommittee Recommendation:**
 - Use the Tacoma Narrows Bridge truck rate framework for truck toll rates on SR 520.

Discounts and Exemptions

- **Rationale:** Provide incentives to increase vehicle occupancy or upgrade to clean vehicle technologies.
- **TNB:** All vehicles pay, other than emergency vehicles in service and returning.
- **SR 520 Urban Partnership:**
 - Original FHWA agreement called for carpool discount.
 - WSDOT has proposed no discount for carpools, but exemptions for transit buses and agency vanpools.
 - No consideration of discounts for clean vehicles.

SR 520 Discount / Exemption Issues

- **Buses and vanpools:**
 - Easy to detect and differentiate using transponders
 - Consistent with intent of Urban Partnership program
 - Could affect TNB (approximately 44 of 44,000 daily toll payments)
- **Carpools:**
 - Transit and carpools projected to account for 3-5% of total revenues
 - No credible way to enforce on existing roadway
 - HOV lane provides incentive; not clear what the added incentive of toll incentives would contribute to increased mode share
 - Higher volume in existing HOV lane would exacerbate traffic queue where the lane terminates at the bridge
- **Tolling Subcommittee Recommendation:**
 - Exempt transit and agency vanpools from tolls

Transponder / Account Incentives

- **Rationale:** Different types of transaction, account type and payment methods can save on collection costs and reduce revenue losses.
- **TNB:** Reduced toll rate for transponder users. *All Good-to-Go!* customers at TNB are transponder users. Cash payment option available for infrequent customers.
- **SR 520:** all-electronic tolling requires convenient alternatives to cash payment, leading to new payment options, including:
 - Identifying vehicles by reading the license plate (video tolling)
 - Both video and transponder accounts
 - Customer-initiated toll payments
 - Alternative payment methods
 - Post-pay billing by mail



Account and Payment Types

- ***Good-to-Go!* Account:**

For each vehicle registered on an account, the customer can choose whether to purchase a transponder or use license-plate recognition.

- Transponder transactions.
- Video (license plate) transactions.

- **Pay-by-mail:**

Non-account users are billed and have 80 days to pay before being considered in violation.

- Some regular users will opt to receive bills each month rather than to register with *Good-to-Go!*. Essentially these people have accounts with us, but have chosen not to pursue electronic payment.

- **Payment methods being considered:**

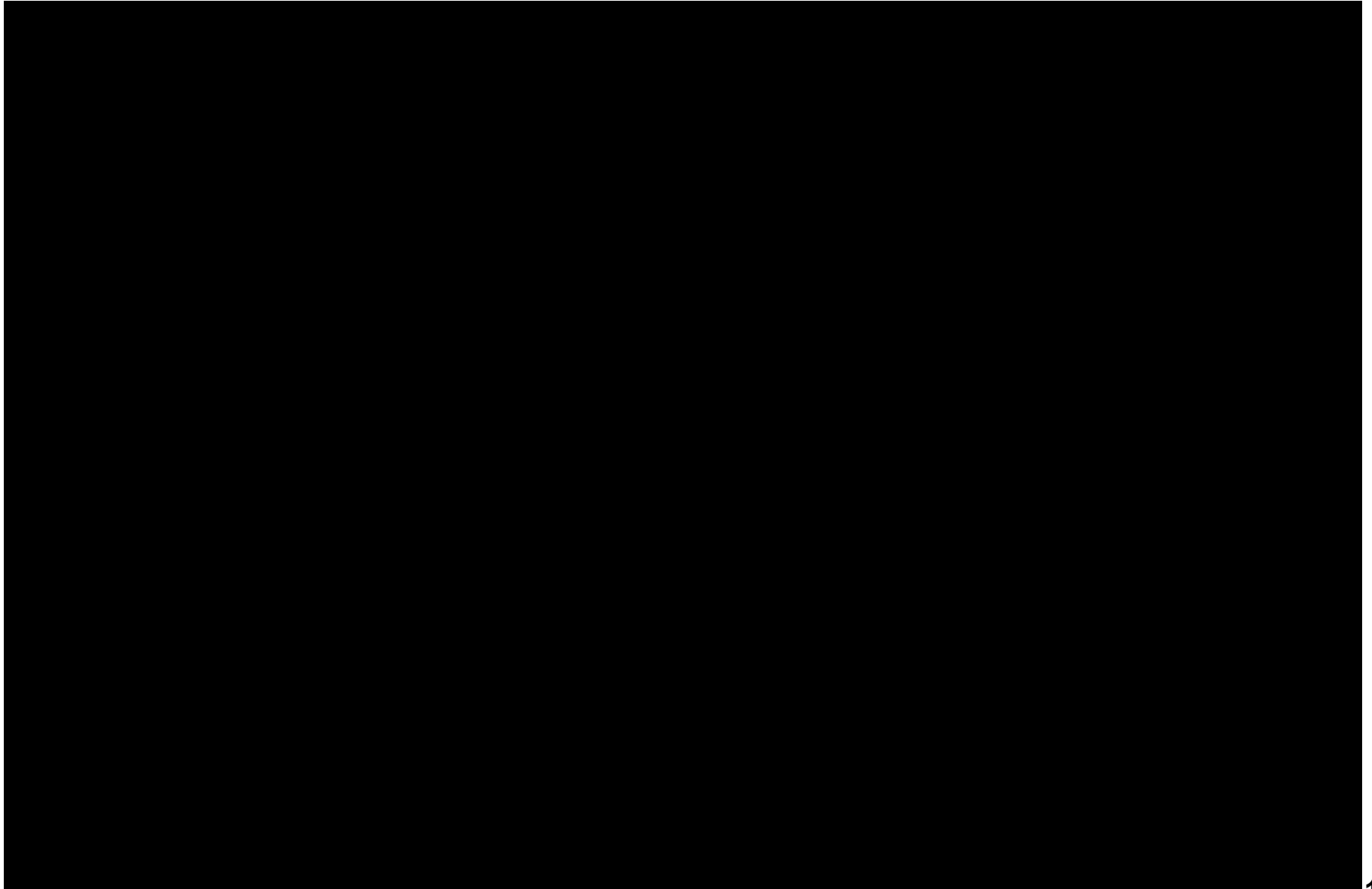
- Other pre-pay options, such as gift cards.
- Pay-as-you-go – charges assigned to debit or credit card when used.

Good To Go!TM

Costs and Losses

- **Lost revenues – License plate recognition**
about 10% of video toll transactions are not recorded (compared to <1% for transponder users) due to:
 - Obscured plates (towing a trailer, for example)
 - Missing plates
 - Unreadable images
 - Bad addresses in the Department of Licensing database(Note that repeat customers incur fewer of these costs)
- **Lost revenues – Pay-by-mail** due to unpaid bills
- **Added cost – Pay by mail** for mailing costs, including second notice
- **Credit card costs** – (debit cards and direct account transfers are less expensive)
- **Customer Service Center costs** – Flat rate paid for all transactions; some additional cost for large number of accounts beyond preset thresholds

Costs and Losses by Account Type

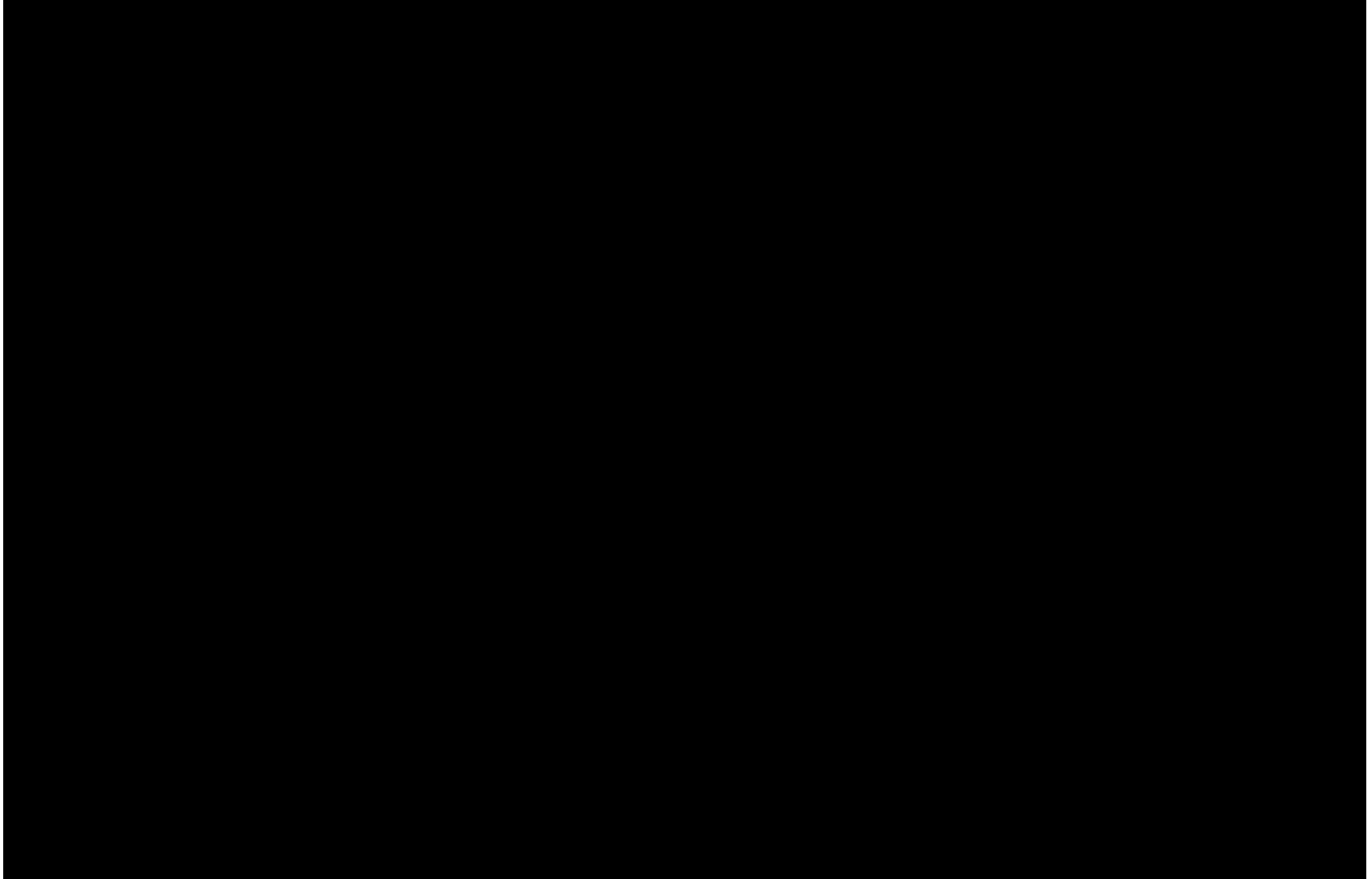


Toll and Fee Options

- **Toll rates** can be set to achieve a policy objective.
- **Fees** must be set to cover actual costs, and can't cover lost revenue. The most significant differences between account types is lost income, not cost.
- **Options:**
 - Transponder use can be increased by providing free tolls with purchase, charging a lower rate, or charging fees for non-transponder users
 - More people will register for accounts if there is a toll discount, or if they can avoid fees.
 - Cost for billing, paper statements, credit card fees, new accounts, etc. can be covered with separate fees or included in toll rates.
- **Considerations for each option:**
 - How will it be communicated and understood by the customer?
 - How can it be administered?
 - Will it work for all toll facilities, or as new facilities are developed?

Preferred Approach

Two toll rates: One for account holders and one for pay-by-mail.



Questions?

For more information,
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